KNOW BEFORE YOU OWE
CFPB-TILA RESPA
INTEGRATED DISCLOSURE RULE.

Broker Questions from the Loan Estimate and Closing Disclosure Training

Loan Estimate (LE)

The CFPB - TILA RESPA integrated disclosure rule (TRID) states if you have the 6 items, lenders have 3 business days to disclose the LE. If you received tax returns and are still figuring out the income based on the tax returns, does the clock start from when you receive the tax returns or when you calculate the correct income?

a. Assuming you have the 5 other items (Name, Social Security Number, Property Address, Estimated value of property and Loan Amount) a verbal of the amount of Income would start the application. If the customer did not provide you with a verbal of the income amount and only provided tax returns for you to determine the income, the application date would be the day you received the tax return documents, not when you calculated the income.

For the 6 application items, when are you considered to have received the address? What if we are missing a piece, zip, city etc.

a. The CFPB does not provide specific guidance to identify what items designate the receipt of an address. If you are uncertain, we advise you consult your legal or compliance department for interpretation.

What is the guidance on loan number, I understand that it has to be consistent throughout the LD/CD process to allow customer easy comparison.

a. For Broker submission this field can be blank or reflect the Broker's loan number. Union Bank will issue a notice to the customer with the Union Bank loan number.

What does the acronym SDX stand for?

a. SDX stands for Secure Document Exchange. SDX is Union Banks electronic delivery system.

Will TRID tolerance requirements mean we cannot add a rush Fee for appraisals if it is not disclosed on the initial LE?

a. A rush appraisal fee that is not disclosed up front cannot be added and redisclosed unless the circumstances that required the rush was a valid change in circumstances.

When can you no longer issue a new LE?

a. The initial LE must be submitted within 3 business days from the date of application. Revised LE documents can be sent up until a Closing Disclosure (CD) is sent. Once the CD is sent, all revisions would go out on a revised CD.

Are all lenders required to follow the same LE/CD procedures or can it change lender to lender?

a. The LE/CD forms are required to look the same, include the same fees, fee calculations and tolerance allowances. Lenders may have small CFPB allowable variances to the form or if the Broker or the Lender provides the documents to the customers.

Whose name goes on the LE, top of page one on the left side?

a. For submission to Union Bank, the LE should have Union Bank listed or be blank. Or it may show the broker name

Regarding the origination fee, what if the borrower decides to increase the loan amount on a locked rate with points? This would increase the origination fee? How does this work since origination is 0 tolerance?

a. When the customer initiates a change to the product, which impacts the origination fee, a revised Loan Estimate will be issued. The revised Loan Estimate must reflect the 0 tolerance allowance when compared to the Closing Disclosure.

For prepaid items, what if we are off on the impound account. If we show 6 months in the fees and we needed more, what do we do.

a. If the impound requirements change, that change will reflect in any revised Loan Estimate that is created due to a valid changed circumstance or it will reflect on the Closing Disclosure

If the Broker origination is being paid by the lender, how is this shown on the Loan Estimate?

a. Lender Paid Broker origination is not shown on the Loan Estimate, it is shown on the Closing Disclosure as a fee paid by 'Other" the Lender.

Do you have to provide fees on written service provider list or can you issue a list without fees?

a. The actual fees do not need to be included on the Service Provider List

Does Transfer Tax get reported on the LE if the Seller is paying it?

a. Transfer taxes are disclosed based upon state law rules and what is customary. If State law clearly states the seller is responsible or the purchase contract states the seller is paying the transfer tax, then it should not appear on the LE. The Transfer Tax will be reported on the Closing Disclosure reflecting the seller paid.

On a refinance, if the mortgage broker chooses the title company, does that become a fee that has a zero tolerance?

a. Yes, it does

Will union bank accept electronic signatures, since it will be required to disclose within 3 days
Is loan ID # necessary?

a. Union Bank is not requiring the customer to sign the Loan Estimate at time of Broker Submission

For Section B, should we overestimate everything? What if we quote an appraisal or credit report fee but a 442 or a credit supplement is needed later?

a. The CFPB requires all estimated fees be the most accurate estimate possible. Brokers should not overestimate everything but rather, use the best estimate possible so the borrower can compare and shop. The rules for valid changed circumstance have not changed. When one occurs, an updated LE with the updated/changed fee would be given to the consumer.

How do we show title and escrow fees being paid by the seller, do these need to show on the Loan Estimate? Currently they all have to be disclosed on the GFE.

a. These fees do need to be disclosed on the LE and should be disclosed in the appropriate area based upon if the borrower can select (B.) or cannot select (C.).

Can the 7-day wait period after revised LE be shortened by borrowers acknowledging receipt earlier?

a. The 7 day period between the initial Loan Estimate and the loan consummation cannot be waived. On revised LE due to CIC, the wait period may be shortened by the consumer signing the acknowledgement stating that they've received. LS

To clarify, the BROKER has to issue the LE within 3 days of application, correct? So if the LENDER (UBC) gets the application package 5 days after initial app it is not an issue since we already disclosed the LE on time?

a. Broker submissions can take place after the Broker sends disclosures to the customer. At the time of submission, Union Bank will review the file to confirm disclosures were sent to the customer within the required timeframe.

How does Union Bank want us to disclose the $1,595.00 fee on a purchase that they waive at the close?

a. The fee should be disclosed on the LE as an origination charge. At closing, if the fee is to be waived it will show as a fee paid by the lender.

Since you have a new system added to these new regulations will you have staff auditing our work to make sure we are doing this correctly?

a. All Union Bank submissions are reviewed for accurate submission and disclosure requirements.

The Loan Estimate shows the new Total Interest Percent (TIP), is there a total interest amount figure provided on the LE for the borrower to be able to double check the figure provided?

a. The total interest paid for the life of the loan is not reflected on the Loan Estimate. It will be important for Loan Officers to understand the calculation of the TIP to explain it to the customer. In September, Union Bank will be offering roll specific training and will breakdown how the TIP calculation works.

If they require the Lender's information on our LE, can we get the other required information for the LE - Lender's address, Lender's NMLS, Confirmation of whether to leave Loan Officer, NMLS ID, email and phone blank or what information they want included?

a. Loan Officer information should all be completed based on broker Loan Officer. Lender information is: MUFG Union Bank, N.A., 9865 Towne Centre Drive, San Diego, CA 92121

If a rate is locked, what is the lock cutoff time and time zone that should be entered?

a. There will be no change from today's current rate lock policy and cutoff times. We are based on West Coast time zone. Lock desk open 8am-6pm M-F excluding holidays.

For the date when the terms expire under Rate Lock information: Does Union Bank include Saturdays in the business day calculation?

a. Union Bank does not count Saturday for LE calculation of days but we do count Saturday for Closing Disclosure days.

Does Union anticipate any changes to their lender fees, appraisal fees, or other origination-related charges?

a. None at this time

Does Union have specific rules about Assumption (typically ARMs, FHA, VA and USDA are assumable; fixed conventional are not)?

a. There will be no changes to our assumption guidelines. Please refer to our At A Glance on the Broker Resource Center

Late Payment information – is there a specific time frame required or is the stated rule acceptable?

a. No change to current guidelines: If the payment is more than 15 days late, a late fee of 5% of the principal and interest will be charged.

Servicing – how should we mark this section?

a. 1st check box - Union Bank Intends to service your loan

Closing Disclosure (CD)

Will the HUD-1 Settlement Statement still be issued after recording?

a. The Closing Disclosure replaces the HUD. HUD-1 settlement statements will no longer be issued.

What will UB require on a go forward to prove the borrower purchased or sold a home when applying for a new loan?

a. The same guidelines will apply. Depending on when the file was closed, a copy of the HUD or the Closing Disclosure would be provided.

Currently, UB allows a $500 appraisal fee variance if the broker has under-disclosed. Will this no longer be the case with the roll out of TRID?

a. The appraisal item is a zero tolerance item and would need to be disclosed accurately.

Will there be separate disclosure requirements for your concurrent UB 2nd?

a. The TRID rules do not apply to HELOC products. HELOC products would continue to be disclosed as they are today.

When you say the CD will be disclosed to the borrower "as soon as possible" what does that actually mean? Will the CD be disclosed at the same time as the LE?

a. Union Bank will not be disclosing the CD at the same time as the LE but we will be launching early in the process to avoid any holdups due to the 3 day review period. Typically Union Bank will send the CD once we have UW approval, receipt of an acceptable appraisal and the loan is locked and fees confirmed. LS

For the CIC items that don't require a 3-day wait (non APR, none product change), did you say the new CD still has to be prepared 1 day before signing?

a. Correct, re-disclosure of the CD must be done 1 day prior to consummation.